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Federal Framework for Aboriginal Economic Development

PROGRESS REPORT

June 2014

Canada

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CONTEXT

Over the past 20 years, there have been significant improvements in the economic outcomes of Aboriginal peoples in Canada. Labour force participation, self-employment and earned income have all increased significantly.

The opportunities for Aboriginal economic development have never been greater. Private investment is increasing in every region of the country and there is a demonstrable interest on the part of the non-Aboriginal private sector to work with Aboriginal businesses and communities.

The last comprehensive, national strategy on Aboriginal economic development (the Canadian Aboriginal Economic Development Strategy) was put in place in 1989. Since that time, the conditions, needs, opportunities and relationships associated with Aboriginal peoples and economic development have changed significantly and the 20 year old strategy did not reflect the current realities.

In Budget 2008, the Government of Canada committed to working with Aboriginal peoples and willing partners to develop a new approach to Aboriginal economic development that was focused on opportunities, results and partnerships.

Launched in June 2009, the *Federal Framework for Aboriginal Economic Development* represents a fundamental change to how the federal government supports Aboriginal economic development, with the ultimate goal of ensuring that Aboriginal peoples can enjoy the same opportunities for employment, income and wealth creation as other Canadians.

The Framework sets out the principles and conditions necessary to increase the participation of Aboriginal peoples in the Canadian economy:

1. **Strengthen entrepreneurship** by promoting a business-friendly economic climate on reserve land and in the North, while improving access to capital and promoting other business opportunities, including procurement;
2. **Develop Aboriginal human capital** by investing in demand-driven labour market development;
3. **Enhance the value of Aboriginal assets** through more systematic identification of economic opportunities, greater leveraging of partnerships, better management of community assets, and modernized lands management;
4. **Forge new and effective partnerships** with the private sector, provinces and territories; and
5. **Focus the role of the federal government** through improved collaboration and an increased focus on implementation.

As part of the implementation of the Framework, the Government of Canada invested $200 million over four years in new measures to support the above priorities.

The Framework enables a more strategic and whole-of-government approach to Aboriginal economic development and takes into consideration broader conditions that can aid or impede economic opportunities, such as laws and regulations. It also recognizes that the federal government does not have exclusive responsibility for, or control over, Aboriginal economic outcomes — it must work in partnership with Aboriginal peoples and their communities, provinces, territories, and the private sector.

Over the long term, by focusing on opportunities, responding to new and changing conditions, leveraging partnerships and focusing on results, the Government of Canada, Aboriginal peoples and other partners will work together to ensure that Aboriginal people in Canada enjoy the same opportunities for employment, income, and wealth creation as other Canadians.

Jobs and economic growth are fundamental to improving the lives of Aboriginal peoples in Canada. The opportunities available to First Nations, Métis and Inuit have never been greater – natural resource companies are expected to invest more than $650 billion in some 600 projects and hire more than 300,000 workers across Canada over the next 10 years. To date, Aboriginal peoples and communities have had limited success in securing employment, pursuing joint business ventures, leveraging reserve lands and resources as strategic assets, and in engaging business investors. Barriers continue to inhibit Aboriginal peoples and communities from full and meaningful participation in the development of Canada's natural resources and the wider economy. Through program supports, policy innovations and strategic partnerships, the federal government plays a key role in helping Aboriginal peoples and communities break down barriers to more fully participate in, and benefit from, the Canadian economy.

2012-13 Achievement Highlights

The ***Federal Framework for Aboriginal Economic Development***, launched in 2009, is guiding federal actions – from programs to legislation to partnerships – to increase the participation of First Nations, Métis and Inuit in the Canadian economy and improve economic outcomes for Aboriginal peoples in all parts of Canada. Some of the more notable milestones we achieved with our partners in 2012-13 are highlighted below.

Strengthening Aboriginal Entrepreneurship

The development of viable business opportunities is essential to the future prosperity of Aboriginal peoples and to improve Aboriginal employment prospects. Yet Aboriginal businesses face persistent barriers to accessing capital, and opportunities for development.

In 2012-13, Aboriginal Affairs and Northern Development Canada invested over $45 million to provide financing, business support and information to increase the competitiveness and success of Aboriginal businesses in Canadian and world markets. These investments included support for the national network of Aboriginal Financial Institutions and community economic development corporations that provide access to capital and economic development planning and management services to their clients. As of March 2013, nationwide coverage was achieved through the Program Delivery Partnership Initiative to allow 14 Aboriginal Financial Institutions to deliver the Department's Aboriginal Business Development program at the local level.

Efforts also focused on increasing Aboriginal participation and procurement opportunities in major projects across the country. Under the National Shipbuilding Procurement Strategy, an $8 billion contract was awarded to Seaspan Marine Corporation (British Columbia) which has amended its procurement policy to encourage Aboriginal sub-contracting, partnerships and joint ventures. Seaspan has also reserved apprenticeship positions for Aboriginal workers. Additionally, an Aboriginal Participation Component for Air Force Base 5 Wing Goose Bay (Labrador) was negotiated, which will provide access to procurement and employment opportunities for Aboriginal businesses and individuals.

Developing Aboriginal Human Capital

Improving Aboriginal labour market outcomes is critical to the long-term economic prosperity of Aboriginal communities and Canada. Aboriginal peoples represent the youngest, fastest growing segment of the Canadian population. Canada's aging workforce will create a labour shortage that Aboriginal people could fill, provided that they have access to education, training and apprenticeship opportunities to help them secure long-term jobs.

Employment and Social Development Canada provides a suite of labour market and skills development programs that support the Framework's priority of developing Aboriginal human capital. The Aboriginal Skills and Employment Training Strategy helps First Nations, Métis and Inuit people secure sustainable and meaningful employment. The Strategy focuses on supporting demand-driven skills development and on fostering partnerships with the private sector and the provinces and territories. In 2012-13, the Strategy helped over 51,000 clients complete programs or services to transition to work; more than 7,100 clients return to school; and over 16,000 clients find jobs.

The Skills and Partnership Fund is a flexible, project-based program which targets Aboriginal people for training in high-skilled, in-demand jobs, and also targets major economic training-to-employment projects in high-demand sectors. To March 2013, the Fund has served 5,300 clients – 861 of whom found jobs and 301 of whom returned to school.

Building on its Budget 2012 commitment to better align the on-reserve Income Assistance Program with provincial systems through improved compliance with program requirements, in Budget 2013, the Government committed $241 million (over five years) for the On-reserve Income Assistance Reform initiative. It will be jointly managed by Aboriginal Affairs and Northern Development Canada and Employment and Social Development Canada to help ensure First Nations youth can access the skills and training they need to secure employment, and help reduce income assistance dependency rates on reserves.

Enhancing the Value of Aboriginal Assets

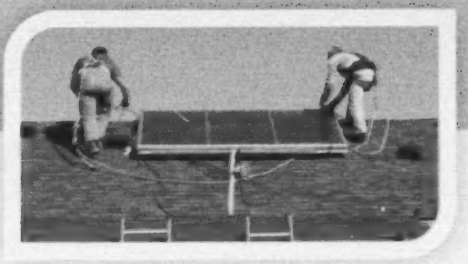
In the Aboriginal context, particularly on-reserve and in the North, major assets, such as land and surface and sub-surface resources, are frequently community owned, as opposed to individually owned. By building the value of their assets, communities can improve the well-being of their residents and generate income, thereby ensuring the maintenance and creation of wealth into the future.

Some First Nations have unlocked greater economic development on reserve lands by opting out of the *Indian Act* system of lands management in favour of the *First Nations Land Management Act*. Those First Nations operating within the regime have witnessed a dramatic increase in new businesses, internal investment, and employment opportunities on reserve. These communities also use their revenues to invest back into the community, which in turn strengthens education and employment outcomes and reduces dependence on social programs. Under *Economic Action Plan 2013*, the Government of Canada announced $9 million in additional resources over two years for the expansion of the First Nations Land Management regime to create further opportunities for economic development on reserve. With this investment, over 90 First Nations are expected to be operating under the regime by 2017, more than double the number in 2006. In January 2013, eight more First Nations entered the regime, joining the 18 communities who entered it in January 2012. With a current backlog of First Nations wanting to opt in, work continues to further expand the regime.

In 2012-13, the *Haisla Nation Liquefied Natural Gas Facility Regulations* were completed under the *First Nations Commercial and Industrial Development Act*. The Regulations address the regulatory gap that exists between on- and off-reserve laws by reproducing provincial rules and regulations that apply to similar projects. The *First Nations Commercial and Industrial Development Act* provides First Nations with the ability to attract major capital investments and increase opportunities for employment and capacity development. Major commercial and industrial projects contribute to the regional economy and increase employment, generating tax revenue benefiting all Canadians. When the Kitimat facility starts its operations, it is expected to be the most valuable on-reserve industrial facility in Canada.

Additions to reserve (ATR) play an important role in supporting economic development both on- and off-reserve. They offer First Nations significant economic opportunities for natural resource development, commercial and industrial development activities, and urban reserve creation. They are an economic driver for First Nations as well as surrounding areas, enabling greater First Nation self-sufficiency. The Government of Canada remains committed to improving community access to lands and resources by improving the process to add lands to reserve. In 2012–2013 alone, 29 additions to reserves totaling approximately 9,000 acres of land were completed. This land that was set apart as reserve supported commercial development, new revenue from agricultural activities, and a range of commercial activity, such as gas stations, convenience and grocery stores.

EXECUTIVE SUMMARY



Forging New and Effective Partnerships

For the government to increase the participation of Aboriginal peoples in the economy it is necessary to forge partnerships with the provinces and territories, the private sector, and Aboriginal organizations and institutions. Early engagement and partnership-building between Aboriginal communities, government and industry is particularly important for enabling natural resource projects to move forward.

More than 600 projects worth over $650 billion are anticipated in the next decade. The potential this holds for Aboriginal people in Canada is immense: jobs, education/skills training, infrastructure, income assistance reform, community well-being, and self-sufficiency.

The federal government is working to enhance Aboriginal participation in major development opportunities by: improving operating conditions for private sector players; strengthening public, private sector and Aboriginal relationships so that Aboriginal communities can benefit from resource development on or near their land; working with partners to reform the regulatory system to provide predictable, certain and timely reviews, reduce duplication, and strengthen and enhance Aboriginal consultations; and making targeted investments to support enhanced environmental management on reserve.

The increasingly large-scale, complex nature of these emerging opportunities is heightening the need for federal coordination, early engagement and targeted capacity supports for Aboriginal communities.

A flagship program of the Framework, the Strategic Partnerships Initiative has had important success in a short period of time, and has been a catalyst for preparing Aboriginal people and communities for participation in many significant economic opportunities. Its flexible, whole-of-government approach enables multiple federal partners to identify shared priorities, target actions and investments where they will be most effective, and partner more easily with other levels of government and the private sector.

In 2012-13, the Initiative supported the development of key partnerships with: Natural Resources Canada, Employment and Social Development Canada and the Canadian Northern Economic Development Agency. These partnerships successfully engaged industry, Aboriginal businesses and communities, non-government organizations and Provinces and Territories on resource development.

Overall, 20 partnerships were created with the participation of 77 Aboriginal communities and 20 federal partners across Canada. In addition to 78 contribution agreements, nearly $10 million of additional federal funding was invested in the partnership initiatives which leveraged over $14.1 million in non-federal investments.

KEY ACHIEVEMENTS

STRENGTHENING ABORIGINAL ENTREPRENEURSHIP

The development of viable business opportunities is essential to the future prosperity of Aboriginal peoples and to improve Aboriginal employment prospects – especially for the growing number of young Aboriginal job-seekers entering the labour market. Yet Aboriginal businesses face persistent barriers to accessing capital, and opportunities for development. Although the rate of growth of Aboriginal business ownership/entrepreneurship exceeds that for self-employed Canadians (*Canadian Council for Aboriginal Business Study, 2011*), the Aboriginal private sector remains disadvantaged and is under-developed in its potential for commercial expansion, growth, and job creation.

In 2012-13, Aboriginal Affairs and Northern Development Canada invested over $45M to provide financing, business support and information to increase the competitiveness and success of Aboriginal businesses in Canadian and world markets. These investments included major business development opportunities and investment to support the national network of Aboriginal Financial Institutions in delivering services to their clients.

Program Delivery Partnership Initiative

The Government of Canada remains committed to promoting Aboriginal entrepreneurship on- and off-reserve by supporting the network of Aboriginal Financial Institutions and community economic development corporations that provide access to capital and economic development planning and management.

Aboriginal Financial Institutions act as an important stimulus to Aboriginal economic growth, and encompass a wide range of Aboriginal financial and business development organizations. They address gaps in the ability of Aboriginal entrepreneurs to access capital for business opportunities by providing business loans, financial consulting and pre- and post-loan support.

In collaboration with qualified Aboriginal Financial Institutions, Aboriginal Affairs and Northern Development Canada implemented the new Program Delivery Partnership Initiative. Through this initiative, the Department is developing partnerships to share control of Aboriginal business program delivery with Aboriginal Financial Institutions that are better able to understand and meet the needs and aspirations of Aboriginal communities and entrepreneurs at the local level. As of March 2013, nationwide coverage was achieved with 14 new funding agreements in place with Aboriginal Financial Institutions, allowing them to deliver the Department's Aboriginal Business Development programming. Work is ongoing in this area to further enhance Aboriginal Financial Institution transformation over the next few years.

Shipbuilding Supply Chain offers Opportunities

In collaboration with other federal departments, provinces, Aboriginal organizations and prime contractors, Aboriginal Affairs and Northern Development Canada developed a framework and work plan to guide and coordinate efforts to effectively support Aboriginal participation in the National Shipbuilding Procurement Strategy.

To date, the federal government has invested $2.5 million through the Strategic Partnerships Initiative to identify business development and supply chain opportunities, while Employment and Social Development Canada plans to invest $10 million through its Skills and Partnership Fund to support targeted training and skills development.

Procurement Opportunities

Procurement is a powerful tool to help build business capacity, establish partnerships, facilitate access to capital, and create jobs and wealth. Introduced in 1996, the Procurement Strategy for Aboriginal Business assists and supports Aboriginal businesses in competing for and winning federal procurement contracts.

Continued efforts are being focused on increasing Aboriginal participation in major projects across Canada, such as the National Shipbuilding Procurement Strategy. Over the next 30 years, this $33 billion initiative is expected to contribute over $2 billion annually in direct and indirect economic benefits and 15,000 jobs in the Canadian economy.

KEY ACHIEVEMENTS

Seaspan Marine Corporation of British Columbia successfully bid on the $8 billion non-combat vessel component of the contract, and has amended its procurement policy to encourage Aboriginal sub-contracting, partnerships and joint ventures. Seaspan has also reserved apprenticeship positions for Aboriginal workers. This will offer significant long-term business and employment opportunities for Aboriginal communities and businesses in British Columbia.

Additionally, Aboriginal Affairs and Northern Development Canada collaborated with the Department of National Defence and Public Works and Government Services Canada to negotiate an Aboriginal Participation Component for Air Force Base 5 Wing Goose Bay in Labrador. Over the 20-year lifespan of the $1.17 billion contract, this will provide access to over $100 million in procurement and employment opportunities for Aboriginal businesses and individuals.

Aboriginal Entrepreneurship Conference and Tradeshow

In partnership with Employment and Social Development Canada and Natural Resources Canada, Aboriginal Affairs and Northern Development Canada supported the Aboriginal Human Resources Council in hosting the second annual Aboriginal Entrepreneurship Conference and Tradeshow. The theme of the event was "Major Projects, Major Opportunities: Participation in Canada's Development Projects."

The event provides a forum for Aboriginal businesses, industry representatives and government officials to meet and share knowledge, ideas and best practices regarding Aboriginal business development. The theme of the 2012 conference highlighted the key role that Aboriginal businesses and communities will continue to play in some of the biggest development projects in the country.

The conference took place October 15-16, 2012 in Ottawa and attracted nearly 400 delegates/participants from Aboriginal communities, government and industry. In addition to providing a forum for information sharing, the event also provided networking opportunities with key business contacts to further enhance business possibilities.

Photos from the 2012 Aboriginal Entrepreneurship Conference and Tradeshow

DEVELOPING ABORIGINAL HUMAN CAPITAL

Improving Aboriginal labour market outcomes is critical to the long-term economic prosperity of Aboriginal communities and Canada. Aboriginal peoples represent the youngest, fastest growing segment of the Canadian population. Canada's aging workforce will create a labour shortage that Aboriginal people could fill, provided that they have access to education, training and apprenticeship opportunities to help them secure long-term jobs.

Employment and Social Development Canada provides a suite of labour market and skills development programs that support the Framework's priority of developing Aboriginal human capital.

Aboriginal Skills and Employment Training Strategy In Action

After learning the welding trade at the Neeginan Institute of Applied Technology in Winnipeg, James Boss was hired as a welder at Champion Iron Works.

The Aboriginal Skills and Employment Training Strategy (ASETS) provided funding to the Institute to develop and deliver programs to help Aboriginal people like James obtain training and develop the skills they need to enter the job market.

James was motivated to learn a trade after having lost his job with a retail company. "By attending the training program," says James, "I was able to help not only myself, but others, by having a positive outlook. This program is not a stepping stone but more like an escalator; once you move forward, it doesn't make sense to go back."

James says he would encourage other people to apply for the Canadian Welding Bureau program offered through the Neeginan Institute. "Everyone at Neeginan is so positive that you can't help but soak it up."

More recently, James was hired by the Wuskwatim Hydro Dam in Northern Manitoba, which represents a significant boost in his career.

Success stories likes James' prove that the program is making a difference in Aboriginal employment. It is expected that the program will result in about 14,000 to 16,000 jobs each year.

Aboriginal Skills and Employment Training Strategy

The Aboriginal Skills and Employment Training Strategy helps First Nations, Métis and Inuit people secure sustainable and meaningful employment. The Strategy focuses on supporting demand-driven skills development and on fostering partnerships with the private sector and the provinces and territories, with an emphasis on accountability and results.

Through the Strategy, $1.68 billion has been committed from 2010-2015 to increase Aboriginal participation in the Canadian labour force. Delivered by 85 Aboriginal organizations with over 600 points of service throughout Canada, this approach allows skills development programming to take place closer to job sites and closer to those who need the training. It is expected that this program will result in about 14,000 to 16,000 jobs each year.

The Strategy is demonstrating increased employment and return-to-school outcomes. In 2012-13, 51,086 clients completed programs or services to help transition to work; 7,108 clients returned to school; and 16,195 clients were employed.

Skills and Partnership Fund

Through the Skills and Partnership Fund, $210 million has been committed from 2010-2015 to increase the skills and participation of Aboriginal people in the labour market. The flexible, project-based program leverages partnerships, and responds to Government priorities and emerging/untapped labour market needs to get Aboriginal people into jobs. The Fund targets Aboriginal people for training in high-skilled, in-demand jobs, and also targets major economic training-to-employment projects in high-demand sectors.

In 2012, the third call for proposals focused on projects in the natural resources sector; particularly mining and energy. The approach focused on areas where there is known demand for long-

term jobs and required a 50% mandatory minimum contribution from partners (i.e., private sector, provinces/territories, educational institutions).

The Fund provides support for Aboriginal communities and organizations to create partnerships with industry on major economic development projects to generate employment and economic benefits for communities located in the catchment area of these projects.

The Fund is expected to assist more than 8,000 individuals gain employment over the life of the program. All program funding is allocated until 2015.

To March 2013, the Fund has served 5,300 clients with 861 clients employed and 301 clients returning to school.

On-reserve Income Assistance Reform

Helping First Nations develop the skills and capacity they need to fully participate in the economy is a priority for both the Government and First Nations. Developing the capacity of this young, fast-growing, under-utilized and un-tapped source of labour will address some of Canada's growing labour needs, while also improving the economic opportunities for the next generation of Aboriginal youth and their communities.

In Budget 2012, the Government committed to work with First Nations to encourage those who can work to access training. At the same time, the Government committed to better align the on-reserve Income Assistance Program with provincial systems through improved compliance with program requirements.

Announced in Budget 2013, the $241 million (over four years) on-reserve Income Assistance Reform initiative will be jointly managed by Aboriginal Affairs and Northern Development Canada and Employment and Social Development Canada to help ensure First Nations youth can access the skills and training they need to secure employment, and help reduce income assistance dependency rates on reserves.

Through the joint initiative, $132 million over five years is allocated to Aboriginal Affairs and Northern Development Canada to work with First Nation communities that are willing to implement mandatory individual case management and incentives for all 18 to 24 year olds in the community to encourage job training.

Employment and Social Development Canada will manage the new $109 million (over five years) First Nations Job Fund, which will provide job training to 18 to 24 year olds who are referred from the participating First Nation communities. The program will be delivered through the Aboriginal Skills and Employment Training Strategy delivery network and will support the same job training activities that are provided under the Strategy.

Post-Secondary Education and Youth Employment

A post-secondary education is often the key to getting a good job. Budget 2013 committed $10 million over two years for Indspire (formerly the National Aboriginal Achievement Foundation) to provide post-secondary scholarships and bursaries for First Nations and Inuit students, and $5 million over five years for Cape Breton University's Purdy Crawford Chair in Aboriginal Business Studies to encourage business studies by Aboriginal students.

As well, Aboriginal Affairs and Northern Development Canada's $24 million annual investment in the First Nations and Inuit Youth Employment Strategy's Summer Work Experience and Skills Link programs help First Nations and Inuit youth acquire work experience, job-related skills and information about career options. More than 600 First Nations and Inuit communities design and implement projects each year.

Enhancing the Value of Aboriginal Assets

The increasing complexity and volume of economic development on reserve lands underscores the importance of improving the tools for sustainable development of lands. Legislation, policies, programs and systems all need to be modernized so that Canada and First Nations can respond to economic development opportunities within rapid commercial timeframes.

First Nations Commercial and Industrial Development Act in Action

The Haisla Nation of British Columbia has advanced several key projects that are creating employment and business opportunities for its people and nearby communities alike.

The $4.5 billion Kitimat natural gas liquefaction (LNG) facility on Haisla reserve land is expected to have the capacity to produce approximately five million metric tonnes of liquefied natural gas per year. The facility will also have access to a marine terminal to allow producers to ship their natural gas products overseas.

This large-scale project was made possible through long range planning by the Haisla Nation who formally designated one of its reserves for LNG terminal use over 15 years ago in anticipation of this opportunity. It then negotiated a benefits agreement and a long-term lease of the reserve with Kitimat LNG (now owned by Apache Canada Ltd. and Chevron Canada Ltd.). Collaborative efforts were also required by the Haisla Nation Council and federal and provincial governments to address the regulatory gaps which prevented the opportunity from getting started.

"There are so many advantages to developing on-reserve, but there are also challenges," explained Haisla Nation Chief Councillor Ellis Ross. "We needed a way to make this project seamless between federal and provincial jurisdictions – but it wasn't going to happen until we requested some process to get it started," said Chief Councillor Ross.

That's where the ***First Nations Commercial and Industrial Development Act*** came into play.

Using this opt-in legislation, Haisla Nation worked with the federal government to create the ***Haisla Nation Liquefied Natural Gas Facility Regulations***, with the cooperation of the Province of British Columbia.

In essence, the regulations reproduce British Columbia's regulatory regime for LNG facilities located on provincial lands with some minor adaptations. This allows provincial officials to perform and enforce monitoring, administrative, and compliance activities on reserve for the Kitimat LNG facility. Federal health, safety, and environmental legislation continue to apply for emergency response, facility operations, storage of materials, operation of equipment, and

Addressing Barriers to Aboriginal Economic Development

Many First Nation communities face barriers to economic development rooted in the *Indian Act*, remote geographical proximity to markets, and limited access to capital and expertise in major economic developments. At the other end of the spectrum, there are communities with considerable experience dealing with ever more complex economic development, particularly First Nations near urban centres. The Government of Canada is committed to working with First Nations to address barriers to economic development on reserve lands.

First Nations Land Management Regime

Some First Nations have unlocked greater economic development on reserve lands by opting out of the *Indian Act* system of lands management in favour of the *First Nations Land Management Act*.

The First Nations Land Management regime has a proven track record since 1999. It provides a ready-option for First Nations wanting to move beyond the *Indian Act* and assume greater control over their lands, resources and environment. The regime enables the development of First Nation laws to manage reserve land, resources and environment under a land code established by a First Nation within the regime. This allows participating First Nations to opt out of 34 land-related sections of the *Indian Act* and enact their own laws taking into consideration the development, conservation, use and possession of reserve lands.

Those First Nations operating within the regime have witnessed a dramatic increase in new businesses, internal investment, and employment opportunities on reserve. These communities also use their revenues to invest back into the community, which in turn strengthens education and employment outcomes and reduces dependence on social programs.

Under *Economic Action Plan 2013*, the Government of Canada announced $9 million in additional resources over two years for the expansion of the First Nations Land Management regime to create further opportunities for economic development on reserve. With this investment, over 90 First Nations are expected to be operating under

First Nations Commercial and Industrial Development Act* in Action *(continued)

environmental management.

"When we were informed about the legislation, we knew we'd found a way to help get the Kitimat LNG initiative underway," said Chief Councillor Ross. "With the regulations in place, we also knew we had clear regulatory oversight for the proponent, the Haisla community, and the general public."

Haisla Nation is the first British Columbia First Nation to successfully negotiate a *First Nations Commercial and Industrial Development Act* regulation and implementation agreement. When the Kitimat LNG facility starts its operations, it is expected to be the most valuable on-reserve industrial facility in Canada.

Approximately 100 Haisla people are employed to clear the land, build access roads, and other related groundwork required to prepare the site for construction. The building and operation of the facility and marine terminal will translate into even more jobs and economic growth opportunities.

"This project is forcing us to look within – to see what needs to be done to embrace change and continue on our economic path," said Chief Councillor Ross." Our Council is focused on this kind of planning and prioritizing: to use our revenue, to build capacity, and to map our economic future."

Haisla Nation demonstrates in action what the Federal Framework for Aboriginal Economic Development is striving to accomplish: helping Aboriginal communities get the most from their economic development potential by filling regulatory gaps to ensure large-scale projects on reserve lands proceed; enhancing the value of Aboriginal assets; and building strategic partnerships.

the regime by 2017, more than double the number in 2006.

In January 2013, eight more First Nations entered the regime, joining the 18 communities who entered it in January 2012. With a current backlog of First Nations wanting to opt in, work continues to further expand the regime.

Additions to Reserve

Additions of land to reserve offer First Nations significant economic opportunities for natural resource development, commercial and industrial development activities, and urban reserve creation. They are an economic driver for First Nations as well as surrounding areas, enabling greater First Nation self-sufficiency.

The Government of Canada remains committed to improving community access to lands and resources by improving the process to add lands to reserve.

Since 2011, Aboriginal Affairs and Northern Development Canada has been working with the Assembly of First Nations to improve the lengthy Additions to Reserves process by developing a new Additions to Reserve Policy.

The Assembly of First Nations and the Government of Canada have found that features currently in the optional claims settlement implementation legislation for Treaty Land Entitlement agreements in the Prairies may be useful for additions to reserves in all locations across Canada.

Further extensive engagement still needs to occur before the Government moves forward with any specific legislative proposals.

In 2012-13 alone, 29 additions to reserves totaling approximately 9,000 acres of land were completed.

FORGING NEW AND EFFECTIVE PARTNERSHIPS

Strong and effective partnerships between Aboriginal communities, multiple levels of government and the private sector are essential for sustainable, long-term economic development. Partnerships and coordination within and external to the federal government will help leverage additional expertise, resources and investments, and make targeted and efficient use of public funds. Early engagement and partnership-building between Aboriginal communities, government and industry is particularly important for enabling natural resource projects to move forward.

Aboriginal Participation in Major Resource Development Opportunities

There are tremendous opportunities for Aboriginal communities to capitalize on resource development potential to stimulate jobs and growth. Responsible Resource Development is a signature commitment of *Canada's Economic Action Plan* and recognizes the importance of involving Aboriginal communities in major resource projects.

More than 600 projects worth over $650 billion are anticipated in the next decade. The potential this holds for Aboriginal people in Canada is immense: jobs, education/skills training, infrastructure, income assistance reform, community well-being, and self-sufficiency. Many Aboriginal communities that want to invest in resource development; however, have had to face a complicated maze of rules and complex reviews which have resulted in delays and unnecessary duplication and lengthy timelines. This can discourage potential new investors and undermine the economic viability of major projects.

Information gaps and access to specialized expertise have also impeded Aboriginal communities in partnering with private sector players during pre-consultation, negotiation, planning, and in some areas of business development and planning for closure.

The federal government is working to enhance Aboriginal participation in major development opportunities by: improving operating conditions for private sector players; strengthening public, private sector and Aboriginal relationships so that Aboriginal communities can benefit from resource development on or near their land; working with partners to reform the regulatory system to provide predictable, certain and timely reviews, reduce duplication, and strengthen and enhance Aboriginal consultations; and making targeted investments to support enhanced environmental management on reserve.

The increasingly large-scale, complex nature of these emerging opportunities is heightening the need for federal coordination, early engagement and targeted capacity supports for Aboriginal communities. This is where the Strategic Partnerships Initiative has been playing, and will continue to play, a key role.

Strategic Partnerships Initiative

A flagship program of the Framework, the Strategic Partnerships Initiative has had important success in a short period of time, and has been a catalyst for preparing Aboriginal people and communities for participation in many significant economic opportunities. Its flexible, whole-of-government approach enables multiple federal partners to identify shared priorities, target actions and investments where they will be most effective, and partner more easily with other levels of government and the private sector.

Since its launch in 2010, the Initiative has proven to be a catalyst for organizing government departments to increase Aboriginal participation in some of the largest resource development opportunities across Canada, including the Ring of Fire in Northern Ontario and the Lower Churchill hydroelectric project in Atlantic Canada.

In 2012-13, the Initiative supported the development of key partnerships with: Natural Resources Canada, Employment and Social Development Canada and the Canadian Northern Economic Development Agency. These partnerships successfully engaged industry, Aboriginal businesses and communities, non-government organizations and Provinces and Territories on resource development.

KEY ACHIEVEMENTS

Overall, 20 partnerships were created with the participation of 77 Aboriginal communities and 20 federal partners across Canada. In addition to 78 contribution agreements, nearly $10 million of additional federal funding was invested in the partnership initiatives which leveraged over $14.1 million in non-federal investments.

With significant investments in major projects anticipated in the next 10 years, the Initiative will focus increasingly on supporting community readiness activities so that communities are better prepared to engage with partners and participate fully in these developments.

Additionally, the Strategic Partnerships Initiative Investment Committee was established in 2012 to help federal partners respond more effectively to emerging market-driven activities, implement new assessment tools endorsed by federal signatories in order to enhance transparency in decision making, and consistency in investments aligned with government priorities, as well as to ensure better results.

Strategic Partnerships Initiative in Action in Saskatchewan
First Nations Power Authority: A Unique Model

SaskPower (Saskatchewan's power utility) is striving to include First Nations in power development, but it does not have the resources or mandate to support these communities in a way that would maximize economic development objectives for both parties. That's why the First Nations Power Authority was established in 2010, with an initial investment of $1.39 million under the Strategic Partnerships Initiative.

The organization is the first of its kind in Canada. It facilitates the development of First Nations-led power projects directly with SaskPower and promotes Aboriginal participation in procurement opportunities with the province's power utility and other power-related industries. The Authority and SaskPower began by signing a master agreement which ensures First Nations are engaged at the beginning of any power development initiative.

The Authority also decided to focus its efforts on a few key areas, including renewable energy. Typically smaller and strategically located, with lower price points compared to large mega-projects, renewable energy projects are often more feasible for Aboriginal communities. SaskPower has set-aside three 10-megawatt projects for renewable energies in its 40-year strategic plan.

Meadow Lake Tribal Council's success in establishing a bioenergy project is another reason the Authority is focusing on renewable energies. In October 2011, the Authority brokered a 25-year agreement between SaskPower and the Tribal Council for the purchase of biomass energy from its Meadow Lake Bioenergy Centre. The Centre will run on mill residue from the Tribal Council's NorSask Forest Products sawmill. The facility will generate up to 36 megawatts of renewable low-emission energy – enough to power about 30,000 homes.

Developed in partnership with the private sector, the Centre is expected to: create 300 jobs over the two-year construction period; 25 permanent jobs to operate the facility; contribute to the creation and retention of new jobs; and, investments in spin-off industries in the region, including more than 600 jobs in harvesting, processing, and trucking.

The Authority is also working to establish training and education partnerships to ensure Aboriginal people in Saskatchewan have the skills and knowledge they need to be employed in the jobs related to power production.

Moving into its third year, the Authority is focused on building First Nation capacity to develop and implement power projects.

Federal partners on this Strategic Partnerships Initiative:
Aboriginal Affairs and Northern Development Canada and Western Economic Diversification

Strategic Partnerships Initiative in Action in Northwest Territories (NWT)
Northern Biomass Project

Historically, firewood was a primary source of energy in Northwest Territories.

Over the years, fossil fuels replaced wood as a source of heat. But the rising cost of fossil fuels and efforts to reduce greenhouse gas emissions have renewed interest in wood and wood pellet heating, which can reduce energy costs by up to 50%.

New biomass systems can also stimulate local economies by creating jobs related to wood harvesting and community-driven wood pellets production. However, biomass heating infrastructure requires a substantial capital investment.

In 2012, the federal government partnered with the Government of the Northwest Territories on a $5.7 million cost-sharing arrangement to help create a sustainable biomass industry, reduce energy costs and generate long-term jobs in communities. This multi-partner strategy focuses on working cooperatively with communities to promote and increase the use of heat, electricity and local fuel wood supply projects as well as to encourage the use, knowledge and management of wood fuel.

As part of this multi-year strategy, the Strategic Partnerships Initiative contributed $1.2 million to help the Behchoko community design and install a number of biomass heating systems and related infrastructure, as well as to develop a wood pellet procurement strategy to help the community prepare for business development opportunities.

Behchoko is the largest of the Tlicho communities in the North, and is the first Aboriginal-owned biomass energy system in the North. By incorporating biomass into their energy system, Behchoko is able to offset the cost of the imported diesel fuel that is currently used to power the system and can redirect the savings to other priorities within the community.

Federal partners on this Strategic Partnerships Initiative:
Aboriginal Affairs and Northern Development Canada, Natural Resources Canada and Canadian Northern Economic Development Agency

Strategic Partnerships Initiative in Action in Ontario
Action Plan for Supporting First Nations Participation in the Ring of Fire

Northern Ontario's Ring of Fire project is expected to create as many as 1,200 direct jobs and additional employment opportunities at supplier industries. This will create tremendous employment and skills development opportunities for the First Nation communities in the vicinity.

In 2012-13, more than $3.4M in federal funding was invested through the Strategic Partnerships Initiative to assist First Nations in the Ring of Fire in preparing for economic and employment opportunities associated with mineral and infrastructure developments.

A multi-phased approach is being implemented, with federal coordination being guided by an *Action Plan for Supporting First Nations Participation in the Ring of Fire*.

More than 10 federal departments and agencies worked together to develop the Plan. The Plan focuses federal actions and investments on a clear set of priorities and deliverables, including community health and well-being, labour market development, environment, business development and infrastructure, to help position First Nations to benefit from projected mining developments.

Federal partners on this Strategic Partnerships Initiative:
Aboriginal Affairs and Northern Development Canada, Federal Economic Development Agency for Northern Ontario, Employment and Social Development Canada and Natural Resources Canada (with support from the Major Projects Management Office, Environment Canada, Health Canada, Infrastructure Canada, Transport Canada, Public Safety Canada, Fisheries and Oceans Canada, Industry Canada, Canada Mortgage and Housing, P3 Canada, Service Canada, Privy Council Office, Canada Environmental Assessment Agency)

Public Policy Forum Roundtables

Between May and August 2012, Aboriginal Affairs and Northern Development Canada in collaboration with Natural Resources Canada, Employment and Social Development Canada, and the Canadian Northern Economic Development Agency, partnered with the Public Policy Forum on six roundtables to discuss how to increase Aboriginal participation in major resource development. The roundtables brought together over 150 senior corporate, federal/provincial and territorial governments, academic and Aboriginal community and business leaders to talk about challenges, best practices, new approaches, governance arrangements, measurements of success and case studies.

In October 2012, the Public Policy Forum released its outcomes report, "Building Authentic Partnerships." The report provides 16 concrete recommendations to help advance Aboriginal participation in major resource development opportunities. Specific areas for action cited include: building authentic partnerships; developing human capital; enhancing community control over decision-making; promoting entrepreneurship and business development; and increasing financial participation.

Focusing the Role of the Federal Government

Only by working together will we be able to maximize opportunities for Aboriginal peoples in Canada to participate fully in the economy and drive economic growth. The Framework's collaborative nature – while largely unique to the federal government – is focusing federal efforts on creating the right conditions for economic development, bringing partners together, and making targeted investments in Aboriginal economic development.

Federal Coordination Committee

The Federal Coordination Committee for Aboriginal Economic Development plays a key role in overseeing Framework implementation and is responsible for approval of program spending for the Strategic Partnership Initiative. Co-chaired by Aboriginal Affairs and Northern Development Canada and Employment and Social Development Canada, the Assistant Deputy Minister-level committee was established by Cabinet to advance Aboriginal economic development under the *Federal Framework for Aboriginal Economic Development* and enable outcomes which are whole-of-government, opportunity driven, and partnership based.

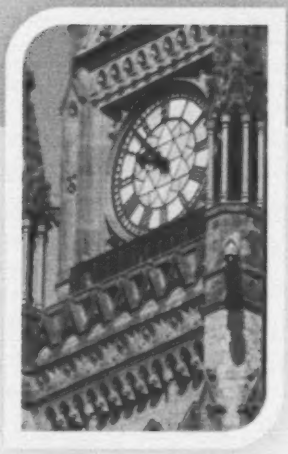
The Committee met twice in 2012-13 (May and October) with discussion centred largely on what the federal government can do to help increase Aboriginal participation in major resource development opportunities across the country. The Committee's future focus will expand to address other areas of Framework implementation, including broader issues of federal programming, policy development, and legislation/regulations tied to Aboriginal economic development across the federal government.

National Aboriginal Economic Development Board

The National Aboriginal Economic Development Board brings together First Nations, Inuit and Métis business and community leaders from all regions of Canada to advise the federal government on ways to help increase the economic participation of Aboriginal men and women in the Canadian economy. The Board provides a vital link between policy makers, federal departments and Aboriginal and non-Aboriginal business and community leaders to increase economic opportunities and outcomes for Aboriginal people in Canada. The Board also advocates for Aboriginal economic development on the national and international stage.

In 2012-13, the Board released its *Aboriginal Economic Benchmarking Report,* which assesses the state of the Aboriginal economy across a number of indicators, providing comparative information and a baseline on the economic standing of Aboriginal and non-Aboriginal people in order to inform policy and program directions related to Aboriginal economic development. The Board also provided recommendations to the federal government on *Increasing Aboriginal Participation in Major Resource Projects*, which present strategies to help ensure Aboriginal people, their communities and project proponents can work together to advance their respective interests. Additionally, the Board released its recommendations on *Addressing the Barriers to Economic Development on Reserve*, which provide concrete solutions based on hard evidence to overcome many critical legislative impediments to economic development on reserve lands.

In addition to Aboriginal Affairs and Northern Development Canada, Natural Resources Canada, Employment and Social Development Canada, Environment Canada, Finance Canada, Standing Committees, and regional economic development agencies throughout Canada are using the Board's advice in their work.



Federal Symposium on Aboriginal Participation in Major Resource Development

In July 2012, Aboriginal Affairs and Northern Development Canada hosted a federal symposium on Aboriginal participation in major resource development opportunities. The event brought together federal partners to hear presentations from leaders in the field of major projects, resource development and Aboriginal engagement. The symposium was an opportunity for participants to engage in open dialogue and strengthen partnerships while looking at the opportunities, challenges and role of federal partners in the process. Themes covered during the symposium included the regulatory environment; community readiness; skills and training/capacity development; and business development. Nineteen (19) federal organizations were represented, including participants from outside of Ottawa.

MOVING FORWARD

The federal government's Aboriginal economic development policy direction is founded on the Framework. It sets out a path to address structural barriers to economic development for First Nations, Métis and Inuit people. Over the next few years, federal efforts will focus on:

Strengthening Aboriginal Entrepreneurship

- Support the transformation of Aboriginal Financial Institution partners through the Aboriginal Business Development Program to allow greater Aboriginal autonomy.
- Enhance access to public and private opportunities through the federal Procurement Strategy for Aboriginal Business.

Developing Aboriginal Human Capital

- The federal suite of Aboriginal labour market programs expires in March 2015. Stakeholder engagement is continuing to help inform the future direction of Aboriginal labour market programming.
- Work with First Nations to reform on-reserve income assistance, to help ensure First Nations youth can access the skills and training they need to find a job and achieve the self-sufficiency they deserve.

Enhancing the Value of Aboriginal Assets

- Implement transformational initiatives to support First Nations wishing to go beyond the *Indian Act* system of land management. Specifically: expand the First Nations Land Management regime; modernize on-reserve oil and gas exploration; implement new Additions to Reserve policy with the Assembly of First Nations; develop an environmental management framework; modernize the process for designating and leasing lands; and implement the *Family Homes on Reserves and Matrimonial Interests or Rights Act*, to provide equal legal protection to all First Nations citizens.

Forging New and Effective Partnerships

- Work with other partners to reform the regulatory system in support of resource development to provide predictable, certain and timely reviews, reduce duplication, and strengthen and enhance Aboriginal consultations.
- Act as a broker, facilitator and enabler of effective and strategic partnerships in order to advance Aboriginal economic development.

Focusing the Role of the Federal Government

- Implement a governance structure to better coordinate support for Aboriginal participation in major projects.
- Complete revisions to the Strategic Partnerships Initiative terms and conditions, program governance and funding processes to enhance cooperation and collaboration with federal and non-federal partners.
- Support the National Aboriginal Economic Development Board in developing and submitting advice to the federal government on Aboriginal economic development policies and programs.